

SUMMARY OF DEPARTMENT OF REVENUE WITHHOLDING PLAN

- The withholding for the Department of Revenue is \$1.1 million, which is 2.7 percent of the department's general revenue operating budget (excludes general revenue refunds and distributions). This is less than 1 percent of the department's total general revenue budget, which largely consists of refunds to taxpayers. The Department of Revenue was not subjected to higher withholdings because of the necessity to avoid adversely affecting revenue collection efforts.
- Exclusive of the State Tax Commission, the Department of Revenue will not fill 13 vacancies and will lay off three individuals. The department will cope with these reductions through reorganization of some units, reassignment of certain duties and a reduction in customer-service functions.
- Postage funding totaling \$181,375 will be withheld. The majority of the withholding results because the amount required to mail Article X refund checks proved to be less than anticipated.
- In addition to the vacancies/layoffs noted above, the State Tax Commission will maintain three vacancies and reduce expense and equipment expenditures by five percent for a total withholding of \$115,692. This will negatively impact the Commission's ability to monitor, audit and assist counties, and to conduct statistical studies regarding the quality and level of assessment in counties.
- There is no withholding on drivers license applications or renewals, motor vehicle titling, or motor vehicle registrations since these activities are supported by the state highways and transportation department fund. However, due to withholdings for general revenue-funded activities, citizens are likely to face processing delays for ATV and marine transactions.
- In addition to the general revenue fund withholdings noted above, \$147,805 in state highways and transportation department funds will be withheld due to Department of Revenue cost-cutting efforts.
 - The department has identified \$68,477 in administrative savings related to the general revenue withholdings described in the preceding paragraphs.
 - The department's Division of Motor Vehicle and Drivers Licensing is currently reorganizing the Revenue Licensing Technician staff in its Customer Assistance Bureau to improve operating efficiency. As a result of these efforts, the department has identified \$79,328 that can be withheld associated with partial year vacancies for 12 positions.